

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

Chapter 11

In re:

729 PROSPECT REALTY SERVICE CORP.,

Case No.

Debtor.

LOCAL RULE 1007-2 AFFIDAVIT

STATE OF NEW YORK)
) ss.:
COUNTY OF BRONX)

JOSE E. SUAREZ, being duly sworn deposes and states:

1. I am the Vice President of 729 Prospect Realty Service Corp. (“Debtor”). And I submit this affidavit pursuant to Local Rule 1007-2.

2. Debtor owns a single real-estate asset that is known as 729 Prospect Avenue, Bronx, NY 10455 ("Premises"). The Premises is an apartment building with 17 residential apartments. At the time Debtor acquired the Premises it needed substantial renovation work, to include correcting building violations, and it had significant tax debts to N.Y.C. The unpaid taxes to N.Y.C. grew because of accrued interest, and these tax liens were sold by N.Y.C. to third parties. And one purchaser of a N.Y.C. tax lien commenced a tax foreclosure action against the Premises. Debtor is seeking both a refinancing and a buyer of the Premises so as to pay off the liens. However, a foreclosure auction of the Premises has been scheduled before Debtor has been able to do so.

3. This case was not originally commenced under any other chapter of the Bankruptcy Code.

4. No creditors' committee has been organized prior to the order for relief in this chapter 11 case.

5. The holder(s) of the 20 largest unsecured claims are: none. All the Debtor's creditors are secured claimants. Debtor has no unsecured creditors.

6. All secured claims are liquidated and undisputed and are secured by liens on Debtor's Premises. The Premises is valued at \$2,000,000. The holders of the five largest secured claims are:

- NYCTL 1998-2 Trust and The Bank of New York Mellon, as Collateral Agent and Custodian c/o Phillips Lyte LLP, 28 East Main Street, Suite 1400, Rochester, NY 14614; undisputed liquidated claim: \$902,774.
- NYCTL 1998-2 c/o MTAG Services, LLC, P.O. Box 4038, Capitol Heights, MD 20791; undisputed liquidated claim: \$314,652.
- NYC Department of Housing, Preservation & Development, Mortgage Services, 100 Gold Street, New York, NY 10038; undisputed liquidated claim: \$242,000.
- NYC Department of Finance, Office of Legal Affairs, 345 Adams Street, 3rd Floor, Brooklyn, NY 11201; undisputed liquidated claim: \$141,359.
- NYC Water Board DEP/BCS, Bankruptcy Division 13th Floor, 59-17 Junction Blvd., Corona, NY 11368; undisputed liquidated claim: \$102,348.

7. But for its books and records, Debtor's sole asset is its Premises

valued at \$2,000,000. Debtor believes that Premises will increase in value because of a recently issued N.Y.C. certificate of eligibility for a 90% tax abatement for 14 years duration. Debtor's liabilities are secured claims totaling \$1,703,133 and no unsecured claims.

8. No securities (shares of stock) in/of Debtor are publicly held.

9. No property of Debtor is in the possession/custody of any other entity.

10. Debtor's sole premises is its wholly owned Premises known as 729 Prospect Avenue, Bronx, NY 10455.

11. But for its books and records, Debtor's sole asset is its Premises. Debtor's books and records are held by me: Jose E. Suarez as Vice President, at 689 Prospect Avenue, Bronx, NY 10455.

12. There is a foreclosure action in the Bronx Supreme Court against Debtor in which a tax foreclosure auction of the Premises is scheduled: NYCTL 1998-2 Trust and The Bank of New York Mellon, as Collateral Agent and Custodian against Debtor; Index No. 260350/2014.

13. I — Jose E. Suarez, Vice President and shareholder — have been and am the acting senior management since the Debtor acquired the Premises. I manage the building and keep the books and records of the Debtor. My salary is and will be \$2,000 per month. Debtor's unpaid President and shareholder is Maria Lopez Perez. Debtor's Secretary/Treasurer and shareholder is Daniel Torres, who is paid \$1,000 per month.

14. Debtor intends to refinance or sell the Premises to pay all creditors in full from the proceeds thereof. Other than its residential apartment building, Debtor is not operating a business and Debtor does not intend to operate a business.

Respectfully submitted,

/s/ Jose E. Suarez

JOSE E. SUAREZ
Vice President
729 Prospect Realty Service Corp.
729 Prospect Avenue
Bronx, NY 10455

Sworn to and subscribed before me
this 13th day of March 2017:

/s/ Albert H. Barkey

ALBERT H. BARKEY
Notary Public, State of New York
No. 02BA4769674
Qualified in Richmond County
Commission Expires September 30, 2018